

Preliminary Conclusions (*cont'd*)

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- There is a lack of a shared vision, goals, and accountability between the Owners and the Consortium.
- The Consortium lacks project management integration needed for EPC.
- The WEC-CB&I relationship is extremely poor, caused to a large extent by commercial issues.
- The overall morale on the project is low.
- The Contract does not appear to be serving the Owners or the Consortium particularly well.
- The issued design is often not constructible resulting in a significant number of changes. The construction planning and constructability review efforts are not far enough out in front of the construction effort to minimize impacts.
- There is significant engineering and licensing workload remaining (currently over 800 engineers). ITAAC closure will be a significant effort.
- Emergent issues potentially requiring NRC approval of LARs remain a significant project concern.
- There is a significant disconnect between construction need dates and procurement delivery dates.
- The amount of stored material onsite is significant, creating the need for an extended storage and maintenance program.

Preliminary Conclusions (cont'd)

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- Construction productivity is poor for various reasons including changes needed to the design, sustained overtime, complicated work packages, aging workforce, etc.
- The indirect to direct craft ratio is very high.
- Field non-manual turnover is high.
- The schedule for the startup test program is in the early stages of development. The BIP turnover rate appears to be overly aggressive.
- The Owners do not have an appropriate project controls team to assess/validate Consortium reported progress and performance.

